



C.I. MUTUAL FUNDS

QUARTERLY REPORT

S E P T E M B E R 3 0 , 1 9 9 4



C.I.
MUTUAL
FUNDS

BRINGING THE WORLD TO CANADIAN INVESTORS

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TO OUR INVESTORS

The past quarter lived up to expectations of considerably more promising markets worldwide. As rising interest rates slowed, the solid performance of businesses and economies in both developed and emerging markets provided a measure of optimism for investors.

Among the developed markets, Canada was one of the top performers. Federal government announcements of intentions to tackle the burgeoning deficit followed on the heels of the Quebec provincial election which was widely viewed by the markets as good for federalism.

Emerging markets rebounded strongly with Latin America delivering a particularly exciting performance. The timing proved fortuitous for the June launch of the **C.I. New World Income Fund**. Advised by Mark Arnold of BEA Associates, this Fund targets bonds, debentures and other fixed income vehicles of the world's emerging markets.

We have further strengthened our roster of international funds with the introduction of the **C.I. International Balanced Fund** and

C.I. International Balanced RSP Fund.

Bill Priest of BEA Associates — well-known for his remarkable record with the C.I. American Fund — works with Emilio Bassini and Mark Arnold in these new “one-stop” funds which invest in global equities and fixed income for the ultimate in diversification.

Finally, we are pleased to inform investors that since October 1st, the C.I. European Fund has been in the hands of new portfolio advisers. Robert Rawe and James Burns of TCW Europe are highly respected for their skill in stockpicking, not only in the more established European markets, but the re-emerging markets of Central and Eastern Europe as well. Their very personal, hands-on approach is well worth considering in Europe's rapidly changing investment environment.

C.I. enters the final months of 1994 in an excellent position to take advantage of the many investment opportunities which are on the horizon. With a little co-operation from the world's markets, we look forward to a strong finish in the final quarter of 1994.



A. W. Howard
Chairman & CEO
Howard Ross Library
of Management

FEB - 6 1995

Annual Reports
McGILL UNIVERSITY

A MESSAGE FROM OUR FUND ADVISERS AT BEA ASSOCIATES



EMILIO BASSINI



MARK ARNOLD



WILLIAM PRIEST

Global economies continued to recover during this quarter, although the pace and strength of the recovery have continued to vary widely from region to region. Strong growth in the United States has been the catalyst for rising global interest rates which have led to increased volatility in many of the world's capital markets throughout the year.

During the third quarter, however, the picture became somewhat clearer. Many developed equity markets ceased their downward slide, while emerging markets — equities and bonds — experienced a strong positive bounce. Unfortunately for Canadian investors, the strength of the Canadian dollar in the wake of the Quebec election resulted in a decline in the value of assets denominated in foreign currencies.



U.S. capital markets continued to be dominated by persistent investor concerns about inflation. It is a matter of some debate whether or not an inflationary period is actually upon us. What cannot be argued, however, is that many investors fear that it is; the result has been a jumpy market.

As U.S. markets alternate between cautious optimism and downright bearishness, the Federal Reserve has sought to allay inflation concerns by raising the short-term interest rate. The latest rate hike of 50 basis points came in late August. The initial response from both the stock and bond markets was positive as stock and bond markets rallied on the news.

However, the markets' enthusiasm was short-lived. September witnessed a sharp correction in both stocks and bonds. By quarter-end, the stock market had given back nearly all of its July and August gains, and bond prices continued to reflect the worries of the inflation bears. Most analysts anticipate further rate hikes before the end of the year.

Europe's economies continue to gradually recover from the long and painful recession in which they have been mired. What good performance we have seen in the European equity markets — mainly in Italy and some of the smaller markets — has largely been driven by declining interest rates. However, gradually improving growth prospects in many of those markets have increased the general perception



that central bank easings may finally be over. This opens up the prospect of rising interest rates, especially in those countries where governments cannot convince the markets of their ongoing fiscal responsibility.

The U.K., where the official interest rate was increased this month for the first time in five years, returned over 3% during the quarter, but we anticipate that the Bank of England's determination to fight inflation through higher interest rates may well bog this market down for the time being. On the Continent, we do not expect this sluggish recovery will translate into particularly exciting equity market returns in the months to come.



Japan, the strongest of the major equity markets during the first half of the year, had a very difficult third quarter, declining by 5% (more than 8% after factoring in the Canadian dollar's appreciation against the yen). The downturn was led by foreign investors who began to take profits in mid-July when the yen reached an historic high of less than 98 to the U.S. dollar. After six months of very strong returns many foreigners began to think that both the market and the currency were unlikely to push higher in the short term.

Negative views on the market were strengthened by continuing political questions stemming from the newly elected government's abandonment of recent moves toward economic reform. We believe that the current government will appear as only a temporary glitch in a long-term pattern of inevitable change. Furthermore, we continue to see signs of recovery in the Japanese economy. Industrial production is finally flattening after a long decline and, while there is some risk that persistent strength in the yen could stifle the recovery by limiting exports as it did last year, we believe this is unlikely. In percentage terms,

the yen has not appreciated this year nearly as much as it did in the first half of 1993. Also, the recent passage of a tax cut package is likely to give the economy an additional boost.

Meanwhile, market sentiment is improving and stock analysts are revising their earnings estimates upward at a rate much greater than during the "false starts" of 1992 and 1993. Even with the upward revisions, company earnings could surprise analysts on the upside in 1994. Prospects look good for continuing price appreciation over the medium term.

The best news of the quarter came from the emerging markets, where returns were powerful on both the debt and equity sides. The third quarter began slowly in the emerging debt markets as markets continued to be hurt by the global liquidity squeeze that began when the Federal Reserve first raised U.S. interest rates in February.

In late July markets rebounded, and continued the rise throughout August and September. It appears to us that the emerging debt markets may now be in the midst of a prolonged rally.

We continue to believe that the emerging debt markets still have substantial upside potential. In the current environment, all of the fundamental signs point to market strength. Throughout the bear market in early 1994 we maintained the view that this correction presented an excellent buying opportunity. Now, as we move toward the end of the year, the fundamentals in the emerging markets are improving, making a good picture look even better.

On the equity side, the third quarter was a very strong period for most of the emerging markets. We continue to be overweight in the Latin American markets and

underweight in Asia. Both regions, we believe, continue to promise strong economic growth — much higher than in the developed world — for the rest of the 1990s. Our current focus upon Latin America comes out of that region's dramatically lower market valuations. However, we believe that economic growth over the next several years will translate into strong equity market returns for both regions.



During this quarter, Latin America had a composite return of nearly 29% in Canadian dollars. Among the most important news in the Latin American markets has been the continued success of Brazil's anti-inflation plan and its momentous political consequences. Since the introduction on July 1st of the country's new U.S. dollar-linked currency, the *real*, the monthly inflation rate has declined from nearly 50% in June to under 2% in September. The effect upon economic growth can only be positive.

On the political front, the impact has been no less powerful. From a position far behind in the opinion polls just a few months ago, Fernando Henrique Cardoso won the October 3rd election, apparently on the success of the government's economic policy. Cardoso's victory is good news for Brazil's financial markets. He has promised to reduce tariffs and further open the Brazilian economy to foreign investment. In our view, Brazil is poised to be one of the world's most exciting growth markets over the next several years. We have increased our allocations to this market several times over the past few months, and continue to look for buying opportunities.

In Mexico, the August election resulted in a strong victory for the PRI's Ernesto Zedillo. Much was at stake for Mexico in this election cycle, which came

on the tail of an exceedingly difficult period, both politically and economically. The economic picture had until quite recently been dismal as the country languished in a deep recession that began in mid-1993. Social dislocation, as manifested in the unexpected peasant rebellion in the southern state of Chiapas and the kidnappings of several prominent business leaders, was exacerbated by two political assassinations.

The election of Ernesto Zedillo of the PRI is very good news for the Mexican market and for foreign investors. We believe that the Mexican stock market is poised for a period of extremely strong performance, as foreign and domestic investors who have held cash positions since late last year have begun to move heavily back into the market. In addition, the economy now appears to be in full recovery with GDP growth coming in at a surprising 3.8% annual rate in the second quarter after three consecutive quarters of negative to flat growth. This bodes well for earnings growth in the months ahead.

We have accordingly raised our Mexican allocations significantly. The C.I. holdings continue to reflect our emphasis on the two primary themes of infrastructure development and the growth of a modern consumer culture. It is our view that these investment themes will position the Funds to benefit from the region's highest-growth sectors in the months ahead.

Emilio Bassini

Mark Arnold

William Priest



C.I. GLOBAL FUND



Top 30 Holdings of Investment Portfolio

Holding	Country	Market Value (\$)	% of Net Assets
RJR Nabisco Holdings Corp.	U.S.A.	11,238,586	1.6
Industrial Bank of Japan	Japan	10,242,604	1.4
Korean Fund Inc.	South Korea	9,615,296	1.4
Hitachi Ltd.	Japan	9,384,574	1.3
North American Mortgage Corp.	U.S.A.	9,347,052	1.3
Sakura Bank	Japan	8,034,636	1.1
General Dynamics Corp.	U.S.A.	7,936,698	1.1
Fuji Photo Film Co.	Japan	7,639,133	1.1
Litton Industries Inc.	U.S.A.	7,356,869	1.0
Sony Corp.	Japan	6,239,232	0.9
Krung Thai Bank Ltd.	Thailand	6,140,391	0.9
Companhia Energetica de Minas Gerais	Brazil	5,888,975	0.8
U.S. Surgical Corp.	U.S.A.	5,808,681	0.8
Vodafone Group PLC ADR	U.K.	5,788,158	0.8
Telefonos de Mexico	Mexico	5,779,040	0.8
Chubu Electric Power	Japan	5,698,174	0.8
Nokia Corp. Free Preference	Finland	5,365,454	0.8
Teijin Ltd.	Japan	5,286,788	0.7
Carrefour S.A.	France	5,246,900	0.7
Owens-Illinois Inc.	U.S.A.	5,199,756	0.7
Philip Morris Companies Inc.	U.S.A.	5,171,449	0.7
Yasuda Trust & Banking Co. Ltd.	Japan	4,976,397	0.7
WPP Group PLC ADR	U.K.	4,960,230	0.7
Daimler-Benz Ord.	Denmark	4,870,892	0.7
Guinness PLC	U.K.	4,860,363	0.7
Telecom Italia Spa-Ord	Italy	4,832,346	0.7
Veba	Denmark	4,813,358	0.7
Takeda Chemical Ind. Ltd.	Japan	4,790,452	0.7
Morgan Stanley India Inv't FD	India	4,786,656	0.7
Reuters Holdings PLC CL B	U.K.	4,720,698	0.7

ADVISER:

Emilio Bassini

INCEPTION:

February 1986

(BEA since Oct. 1990)

RSP/RIF ELIGIBLE:

up to 20% foreign content
portion of portfolio

TOTAL NET ASSETS:

\$736 million

PERFORMANCE:

1 year : +10.5%

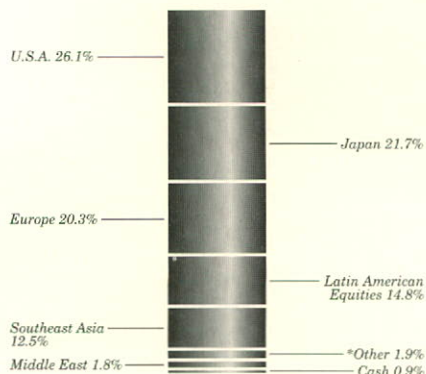
3 year : +18.2%

5 year : +12.4%

since inception : +9.7%

(Average annual compound
rate of return to September 30, 1994)

Portfolio Mix

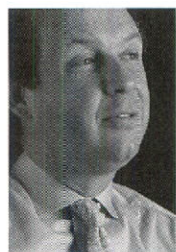


*Australia 0.6%, Canada 0.4%, Russia 0.4%, Mauritius 0.2%, South Africa 0.1%, Latin American Debt 0.1%, Czech Republic 0.1%

Investment Performance of a \$10,000 Portfolio Since Inception



C.I. GLOBAL EQUITY RSP FUND



Top 20 Holdings of Investment Portfolio

Holding	Country	Market Value (\$)	% of Net Assets
Korea Fund Inc.	South Korea	4,051,528	4.39
Reliance Industries Ltd.			
144A GDS	India	3,218,926	3.47
Technology Resources Ind.	Malaysia	1,982,432	2.14
CEMIG ADR 144A	Brazil	1,823,873	1.97
YPF Soc. Anon ADR	Argentina	1,805,751	1.95
Krung Thai Bank	Thailand	1,741,680	1.88
Magna Int'l Inc. CL A	Canada	1,688,625	1.82
Usiminas Reg. S ADR	Brazil	1,608,960	1.73
Companhia Energetica de Minas Gerais PN	Brazil	1,523,267	1.64
Thai Military Bank	Thailand	1,493,721	1.61
Compania de Telefonos de Chile S.A.	Chile	1,447,159	1.56
Telefonica de Argentina ADR	Argentina	1,418,888	1.53
Genting BHD	Malaysia	1,413,408	1.52
Philippine Long Distance Telephone	Philippines	1,380,186	1.49
Nokia Prf.	Finland	1,379,237	1.49
Telecom CL A*	Mexico	1,369,224	1.48
Thai Farmers Bank Ltd.	Thailand	1,343,270	1.45
CEMEX CL B*	Mexico	1,330,331	1.43
Malaysian Helicopter Services BHD	Malaysia	1,323,859	1.43
Quilmes Industrial S.A.	Argentina	1,303,132	1.41

Futures Summary

S&P 500	59,317,495	22.8%
Topix Index	55,233,045	21.2%
FTSE 100 Index	11,577,609	4.4%
DAX Index	9,765,830	3.7%
CAC - 40 Index	9,619,064	3.7%
Hang Seng Index	3,444,929	1.3%
EOE 20 Index	620,660	0.2%

Total 149,578,632 57.4%

*Held in customized option contracts

ADVISER:
Emilio Bassini

INCEPTION:
August 1993

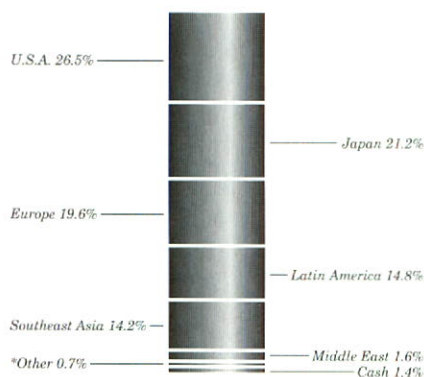
RSP/RIF ELIGIBLE:
100%

TOTAL NET ASSETS:
\$260 million

PERFORMANCE:
1 year : +4.1%
since inception : +3.8%

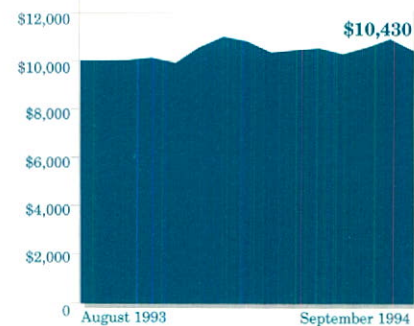
(Average annual compound rate of return to September 30, 1994)

Portfolio Mix



*Canada 0.6%, Greece 0.1%

Investment Performance of a \$10,000 Portfolio Since Inception

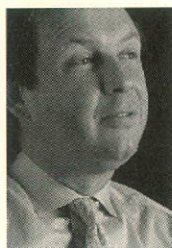




C.I. EMERGING MARKETS FUND

Top 30 Holdings of Investment Portfolio

Holding	Country	Market Value (\$)	% of Net Assets
Korean Fund Inc.	South Korea	18,256,802	3.5
Telecomunicacoes Brasileiras S.A. ON	Brazil	16,737,063	3.2
Morgan Stanley India	India	16,467,973	3.1
Malayan Banking BHD	Malaysia	16,004,035	3.0
Technology Resources Ind BHD	Malaysia	15,568,402	3.0
Telefonos de Mexico S.A. de C.V. Series L	Mexico	14,442,896	2.7
Genting BHD	Malaysia	12,702,624	2.4
Eletrobras de Brazil	Brazil	12,482,427	2.4
Reliance Industries Ltd. 144A GDS	India	10,227,555	1.9
Phatra Thanakit Rights	Thailand	10,108,753	1.9
Petroleo Brasileiro S.A.	Brazil	9,879,951	1.9
Compania de Telefonos de Chile S.A.	Chile	9,671,257	1.8
Grupo Sidek S.A. de C.V. Ser. B	Mexico	8,566,485	1.6
Development & Commercial Bank	Malaysia	8,426,314	1.6
Usinas Siderurgicas de Minas Gerais Pn	Brazil	8,279,304	1.6
Berjaya Group BHD	Malaysia	8,033,311	1.5
CEMEX S.A. de C.V., Series B	Mexico	7,824,412	1.5
CIFRA S.A. de C.V., Series C	Mexico	7,032,469	1.3
Thai Farmers Bank Ltd.	Thailand	6,412,792	1.2
Time Engineering Berhad	Malaysia	6,031,863	1.1
Krung Thai Bank Ltd.	Thailand	5,893,132	1.0
Fotex	Austria	5,436,169	1.0
Elektra CPO	Mexico	5,415,301	1.0
Jardine Fleming India Fund	India	5,404,932	1.0
Regional Container Lines	Thailand	5,331,953	1.0
Malaysian Helicopter Services	Malaysia	5,250,531	1.0
Grupo Carso, S.A. de C.V.	Mexico	5,144,582	1.0
Coca-Cola Femsa S.A. ADR	Mexico	5,071,291	1.0
San Luis Corp. Industrial	Mexico	5,062,460	1.0
Grupo Televisa GDS	Mexico	4,961,021	0.9



ADVISER:

Emilio Bassini

INCEPTION:

September 1991

RSP/RIF ELIGIBLE:
up to 20% foreign content
portion of portfolio

TOTAL NET ASSETS:
\$546 million

PERFORMANCE:

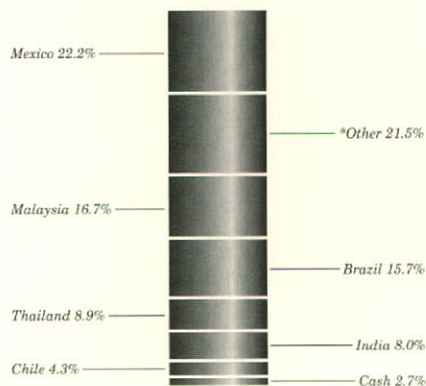
1 year : +35.7%

3 year : +27.0%

since inception : +26.5%

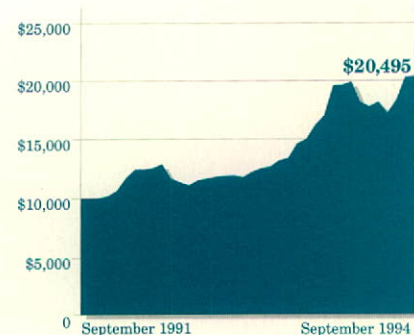
(Average annual compound
rate of return to September 30, 1994)

Portfolio Mix



*Argentina 3.4%, South Korea 3.3%, Israel 2.8%, Hong Kong 2.8%, Indonesia 2.3%, Portugal 0.8%, Philippines 0.6%, Colombia 0.6%, China 0.5%, South Africa 0.2%, Other Emerging Markets 4.2%

Investment Performance of a \$10,000 Portfolio Since Inception





C.I. LATIN AMERICAN FUND

Top 30 Holdings of Investment Portfolio

Holding	Country	Market Value (\$)	% of Net Assets
Electrobras De Brazil	Brazil	35,719,380	6.5
Telecomunicacoes			
Brasileiras S.A. - ON	Brazil	35,095,489	6.4
Telefonos De Mexico ADR	Mexico	20,916,480	3.8
Compania De Telefonos			
De Chile S.A.	Chile	20,354,350	3.7
Petroleo Brasileiro S.A. PN	Brazil	16,469,802	3.0
Distribuidora Chilectra			
Metropolitana S.A.	Chile	15,431,989	2.8
CEMEX S.A.	Mexico	13,815,901	2.5
Grupo Carso	Mexico	12,411,124	2.3
Apasco, S.A.	Mexico	11,840,526	2.2
Grupo Sidek	Mexico	11,386,646	2.1
Enerdis S.A. ADR	Chile	10,863,480	2.0
Compania Cervecerias	Chile	10,347,296	1.9
Paul F LUZ ON	Brazil	9,681,102	1.8
Underwriting De Coteminas	Brazil	9,438,126	1.7
Usinas Siderurgicas De			
Minas Gerais	Brazil	9,059,954	1.7
Companhia Vale Do Rio			
Doce PV	Brazil	8,669,160	1.6
Grupo Televisa GDS	Mexico	8,553,380	1.6
YPF Sociedad Anonima ADR	Argentina	8,531,510	1.6
Tolmex, S.A. De C.V. Series B2	Mexico	8,353,229	1.5
Grupo Industrial Bimbo	Mexico	8,348,058	1.5
CIFRA S.A. De C.V. ADR	Mexico	8,324,242	1.5
Coca-Cola Femsa S.A. ADR	Mexico	7,657,795	1.4
Elektra CPO	Mexico	7,200,887	1.3
Banacci C	Mexico	7,162,069	1.3
Grupo Industrial Maseca,			
S.A. De C. V. B2	Mexico	6,927,885	1.3
Panamerican Beverages CLA	Mexico	6,445,561	1.2
Maderas Y Sinteticos ADR	Chile	6,037,622	1.1
Moinho Fluminense On	Brazil	5,875,822	1.1
Kimberly Clark De Mexico S.A.	Mexico	5,671,924	1.0
Grupo Situr S.A. De C.V.B	Mexico	5,642,901	1.0



ADVISER:

Emilio Bassini

INCEPTION:

September 1993

RSP/RIF ELIGIBLE:

**up to 20% foreign content
portion of portfolio**

TOTAL NET ASSETS:

\$568 million

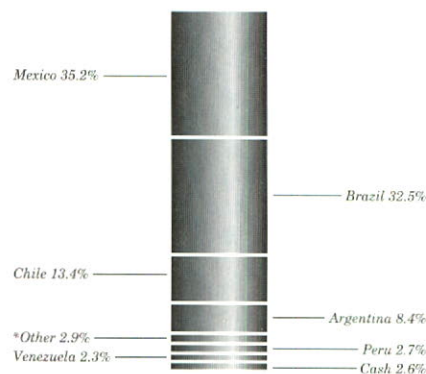
PERFORMANCE:

1 year : +32.9%

since inception : +32.2%

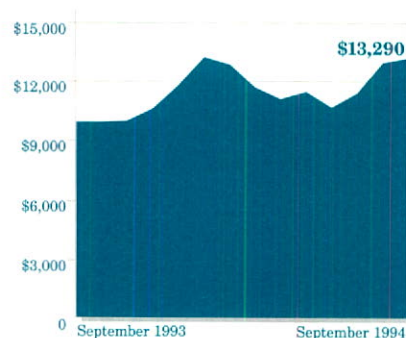
*(Average annual compound
rate of return to September 30, 1994)*

Portfolio Mix



*Ecuador 1.0%, Puerto Rico 0.9%, Colombia 0.7%, Bolivia 0.3%

Investment Performance of a \$10,000 Portfolio Since Inception





C.I. WORLD BOND FUND

Top 20 Holdings of Investment Portfolio

Holding	Country	Market Value (\$)	% of Net Assets
French Treasury Strip 8.5% 10/25/2019	France	21,176,668	10.5
Government of Canada 9.25% 12/01/99	Canada	20,886,800	10.4
Deutschland Republic Bond	Germany	20,306,341	10.1
World Bank Note-Euro Yen	Japan	14,644,864	7.3
U.S. Treasury Notes 5.75% 08/15/2003	U.S.A.	11,203,778	5.6
U.K. Treasury Bond 8.50% 07/16/2007	U.K.	10,954,177	5.4
Sweden Government Bond 11.00% 01/21/99	Sweden	9,930,289	4.9
Italian Treasury Bond	Italy	8,675,508	4.3
Spanish Government Bond	Spain	8,026,564	4.0
Netherlands Government Bond 6.25% 07/15/98	Netherlands	7,350,932	3.6
Queensland Australian Global 8.00% 07/14/99	Australia	4,905,677	2.4
Ipiranga Step Up Bond Euro	Brazil	4,738,085	2.4
Argentina FRB-Euro Bond	Argentina	4,585,536	2.3
Mexican Series B-Euro 6.25% 12/31/2019	Mexico	4,557,882	2.3
Republic of Turkey Yankee Note	Turkey	3,911,716	1.9
National Bank Hungary Yankee 8.875% 11/01/2013	Hungary	3,821,344	1.9
Fifth Mexican Acceptance Corp-Euro	Mexico	3,784,273	1.9
Banesto Finance Ltd. 144A	Spain	3,775,692	1.9
Trust Corp. of Victoria	Australia	3,276,944	1.6
Interamerican Dev. Bank 6.0% 10/30/01	Japan	2,811,033	1.6

Exposure by Currency

Canadian\$	63.1%	Swedish krona	2.2%
US\$	14.4%	French franc	1.5%
U.K. pound	5.5%	German d-mark	1.4%
Italian lira	4.4%	Netherlands guilder	1.1%
Japanese yen	3.2%	Argentine peso	0.9%
Australian\$	2.3%		



ADVISER:

Mark Arnold

INCEPTION:

September 1992

RSP/RFI ELIGIBLE:

up to 20% foreign content
portion of portfolio

TOTAL NET ASSETS:

\$199 million

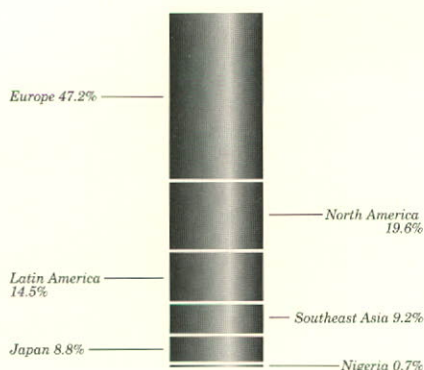
PERFORMANCE:

1 year: -2.1%

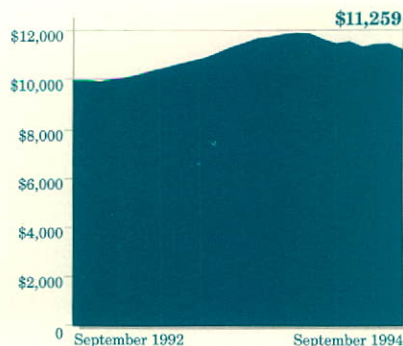
since inception: +6.0%

(Average annual compound
rate of return to September 30, 1994)

Portfolio Mix



Investment Performance of a \$10,000 Portfolio Since Inception





C.I. GLOBAL BOND RSP FUND

Top 10 Holdings of Investment Portfolio

Holding	Country	Market Value (\$)	% of Net Assets
Government of Canada 9.25% 12/01/99	Canada	10,794,960	16.1
World Bank Note-Euro Yen	Japan	10,279,568	15.3
Int'l Bank Recon 10.00% 03/04/1997	Sweden	6,262,679	9.3
Int'l Bank Recon 10.35% 06/25/98	Spain	4,771,863	7.1
Int'l Bank Recon 6.25% 11/15/98	Netherlands	3,748,545	5.6
Government of Canada 7.255 06/01/03	Canada	3,417,505	5.1
Argentina FRB-Euro 5.00% 03/31/2005	Argentina	3,057,024	4.5
Ipiranga Step-Up Bond Euro	Brazil	2,854,043	4.2
Banesto Finance Ltd. 144A	Spain	2,359,808	3.5
Province of Quebec Non-Call 8.05% 02/27/2002	Canada	2,157,177	3.2

Futures Summary

Holding	Market Value (\$)	% of Net Assets
French National Bond 10 Yr	9,126,368	7.1%
US Treasury Bond	13,740,416	10.7%
GILT UK 15 Yr 9%	7,908,289	6.1%
German National Bond 10 Yr	10,187,050	7.9%
Italian Bond 10 Yr	5,319,736	4.1%
Total	46,281,860	35.9%

Exposure by Currency

Canadian\$	57.4%	Swedish krona	2.1%
US\$	16.3%	Australian\$	2.0%
U.K. pound	7.0%	French franc	1.9%
Italian lira	5.7%	Netherlands guilder	1.3%
Japanese yen	2.9%	Argentine peso	0.9%
German d-mark	2.5%		



ADVISER:
Mark Arnold

INCEPTION:
August 1993

RSP/RIF ELIGIBLE:
100%

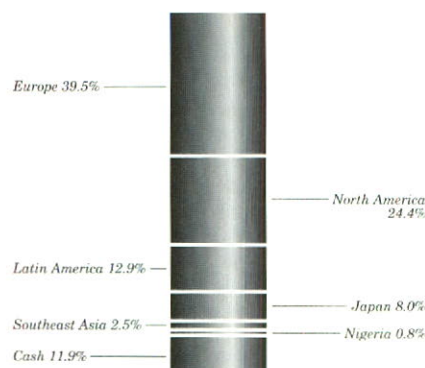
TOTAL NET ASSETS:
\$129 million

PERFORMANCE:

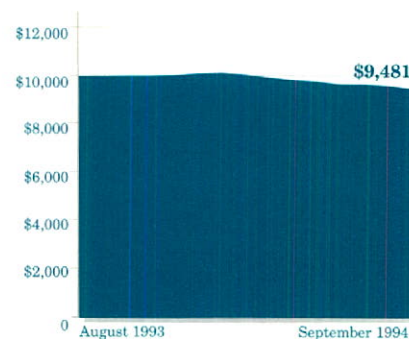
1 year : -3.6%
since inception : -3.0%

(Average annual compound rate of return to September 30, 1994)

Portfolio Mix



Investment Performance of a \$10,000 Portfolio Since Inception





C.I. NEW WORLD INCOME FUND



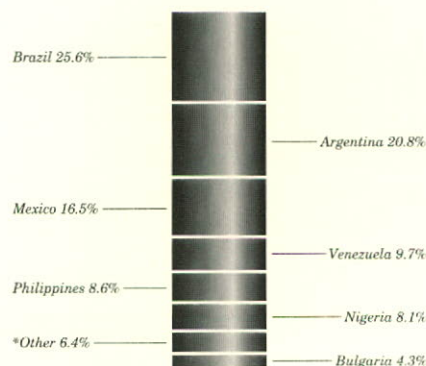
Investment Portfolio

Holding	Country	Market Value (\$)	% of Net Assets
Brazil Idu. 6.0625% 01/01/2001	Brazil	816,723	23.81
Mexican 'D' Fr. Euro-Disc	Mexico	580,971	16.93
Argentina Flat rate Disc Bond 5.812%	Argentina	477,244	13.92
Philippines New Money Bond Central Bank	Philippines	295,990	8.61
Central Bank Nigeria Par Bond 5.5%	Nigeria	276,540	8.06
Argentina 5.00% Frb-Euro 03/31/2005	Argentina	247,518	7.43
Republic of Venezuela Con. Bond 5.75% 12/18/07	Venezuela	165,924	4.84
Republic of Venezuela Euro 5.75% due 12/18/2007	Venezuela	165,924	4.84
Bulgaria Government National Disc Frn Euro	Bulgaria	146,231	4.26
Republic of Turkey Yankee Note	Turkey	94,258	2.75
Indah Kiat Pulp & Paper Yankee 11.87% 06/15/2002	Indonesia	67,040	1.95
Ipiranga Step Up Bond-Euro 8.625% 02/25/2002	Brazil	62,179	1.81
National Bank Hungary Yankee 8.87% 11/01/2013	Hungary	53,074	1.55

Exposure by Currency

Canadian\$	65.2%	US\$	34.8%
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Portfolio Mix



*Turkey 2.8%, Indonesia 2.0%, Hungary 1.6%

ADVISER:
Mark Arnold

INCEPTION:
June 1994

RSP/RIF ELIGIBLE:
up to 20% foreign content
portion of portfolio

TOTAL NET ASSETS:
\$3.4 million

PERFORMANCE:
N/A



C.I. AMERICAN FUND

Top 30 Holdings of Investment Portfolio

Holding	Country	Market Value (\$)	% of Net Assets
Marion Merrell Dow Inc.	U.S.A.	2,640,404	4.9
Humana Inc. Com	U.S.A.	2,087,475	3.8
McKesson Corp.	U.S.A.	2,046,369	3.8
Borden Chemical & Plastic Company	U.S.A.	1,991,088	3.7
Vastar Resources Inc.	U.S.A.	1,952,540	3.6
Capital Cities ABC Inc.	U.S.A.	1,869,075	3.4
Hillhaven Corp.	U.S.A.	1,843,798	3.4
RJR Nabisco Holdings	U.S.A.	1,843,600	3.4
General Dynamics Corp.	U.S.A.	1,783,264	3.3
Coca-Cola Co.	U.S.A.	1,760,303	3.2
Temple-Inland Inc.	U.S.A.	1,696,414	3.1
Mac Frugals Bargins			
Close Outs	U.S.A.	1,694,838	3.1
Student Loan Mktg Assn.	U.S.A.	1,662,257	3.1
Repap Enterprises Inc.			
SUB VTG	U.S.A.	1,659,240	3.1
Gillette Co.	U.S.A.	1,650,492	3.0
Intel Corp.	U.S.A.	1,649,184	3.0
Scott Paper	U.S.A.	1,639,128	3.0
Litton Industries	U.S.A.	1,633,195	3.0
UST Inc.	U.S.A.	1,611,977	3.0
Valero Energy Cnv. Pfd.	U.S.A.	1,592,200	2.9
Owens-Illinois Inc.	U.S.A.	1,588,295	2.9
Allied Signal Corp.	U.S.A.	1,509,908	2.8
Louis Dreyfus Natural Gas Corp.	U.S.A.	1,466,500	2.7
Blount Inc. A	U.S.A.	1,458,120	2.7
Dean Witter Discover & Co.	U.S.A.	1,379,086	2.5
Granite Broadcasting Corp.	U.S.A.	1,336,357	2.5
Trinet Corporate Realty Trust	U.S.A.	1,282,676	2.4
TIG Holdings Inc.	U.S.A.	1,207,524	2.2
John Alden Financial Corp.	U.S.A.	1,178,563	2.2
Lilly Eli & Co.	U.S.A.	1,163,982	2.1



ADVISER:

William Priest

INCEPTION:

September 1992

RSP/RIF ELIGIBLE:

up to 20% foreign content
portion of portfolio

TOTAL NET ASSETS:

\$67 million

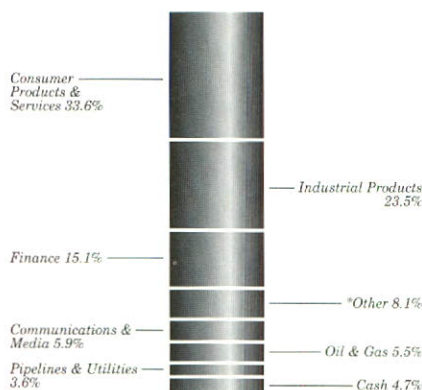
PERFORMANCE:

1 year: +8.1%

since inception: +28.6%

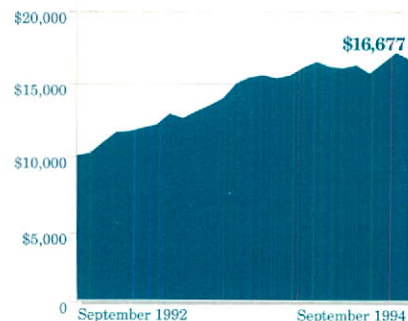
(Average annual compound
rate of return to September 30, 1994)

Portfolio Mix



*Paper & Forest Products 2.5%, Transportation 2.1%, Management Co. 2.1%, Real Estate & Construction 1.0%, Mines & Metals 0.4%

Investment Performance of a \$10,000 Portfolio Since Inception



A MESSAGE FROM OUR FUND ADVISERS AT TCW ASIA



SHAUN CHAN



FRANK CHIANG

for the most part, Asia Pacific equity markets enjoyed a summer rally following the sharp declines of the first half of the year. In July, sentiment turned positive and liquidity flowed back into the markets. Compared to the overstretched levels at the end of 1993, valuations were more attractive. Earnings results were generally good and in some cases, such as Thailand, exceeded expectations. Above all, economic fundamentals remained solid, with growth figures buoyant and inflation remaining under control.

In the past few years, domestic demand has been the driving force behind the growth of the Asian economies. A high rate of savings has translated into investment. Government has been spending on infrastructure and there has been growing consumer spending from the expanding middle class.

The improving global economy has boosted exports, an important development which should continue to fuel economic recovery for some time. Late cycle recovery stocks such as cement, chemicals and properties have been popular in the region.

Despite these positive conditions, we are monitoring the investment environment closely in anticipation of risks stemming from concern over possible further U.S. interest rate hikes, creeping inflation in the Asian economies due to strong domestic demand, and slightly stretched stock market valuations which could render the markets vulnerable to external shocks. High levels of cash calls from initial public offerings and rights issues are also draining some liquidity from the markets.

The Malaysia and Thailand markets (+12.8% and +17.3% respectively) have been among the better performers. Both markets have a large trade sector which will benefit from the U.S., European and Japanese economic recoveries. They are enjoying healthy capital inflows from rising foreign investment - particularly Japan - and favourable interest rate differentials. Japanese manufacturers are moving production to cheaper cost bases as the appreciating yen makes local production increasingly expensive. In Malaysia, the government recently lifted several restrictions designed to limit strong speculative capital inflows arising from interest rate arbitrage.

Domestic excess liquidity and rising foreign investment have boosted stock market performance.

Other markets of interest include India (+7.9%) and the Philippines (+4.8%). The Indian economy is starting to reap the benefits of de-regulation and the phasing out of price controls. Industrial production is picking up, inflation is at single-digit levels and corporate earnings are strong. In the Philippines, the improving fiscal deficit and rising productivity have driven interest rates down to levels not seen in seven years.

Korea (+11.4%) moved up strongly in August on economic recovery led by heavy industrials which have become internationally competitive with the appreciation of the yen.

Although Hong Kong enjoyed a bounce along with regional markets, we remain cautious in view of the market's relatively weak fundamentals. Unique to this market is the concentration of property counters in the index. With the upturn of interest rates this year, real estate transaction volumes dropped and property corrected by around 20%, resulting in an across-the-board decline in earnings momentum.

China appears to be over the worst in its economy, but inflation is still running above 20%. Another round of credit control measures and the reintroduction of price controls are in the cards. We believe, however, that the authorities are in control. China will achieve a soft — but lengthened — landing.

Despite difficult economic conditions, China's stock markets enjoyed a technical rally (+18.9% for



Shanghai "B" shares) during the quarter. To further boost the market, authorities have temporarily halted new listings and are considering allowing foreigners to invest in "A" shares which were previously sold only to local investors.

In contrast to the positive movement of other Asian markets was the lacklustre performance of the Japan market (-5.5%) which hit five-month lows during the quarter. There were a number of reasons for the downturn: growing concerns over the threat of U.S. sanctions as trade negotiations showed little progress; a spate of new convertible bond and equity issues which squeezed liquidity from the existing market; profit-taking by foreign investors; and weak domestic consumer and capital spending which led to a 1.6% year-over-year shrinking of the economy.

In the face of market pessimism we remain convinced that the economic fundamentals look good. Government economic policies are stimulative; witness the recent announcement of an extension of multi-billion dollar tax cuts. Favourable volume and price trends indicate that corporate sector sales have bottomed. With costs under control, profits are set for what could be a sharp increase.

We believe that further downside risk for the stock market is minimal, with the only variable being the difficulty in determining the direction of the yen.


Shaun Chan


Frank Chiang



C.I. PACIFIC FUND

Top 30 Holdings of Investment Portfolio

Holding	Country	Market Value (\$)	% of Net Assets
Hutchison Whampoa	Hong Kong	15,215,950	1.9
Samsung Electric Ordinary Shares	South Korea	14,406,287	1.8
Swire Pacific Ltd. B	Hong Kong	13,324,800	1.7
Cheung Kong (Holdings) Ltd.	Hong Kong	12,394,840	1.6
Sun Hung Kai Properties Ltd.	Hong Kong	11,472,688	1.5
Siam Cement	Thailand	11,078,932	1.4
PTT Exploration Public Co.	Thailand	10,673,572	1.4
DDI Corp.	Japan	10,528,704	1.3
Hong Kong & Shanghai Banking Corp.	Hong Kong	8,972,744	1.1
Multi-Purpose Hldgs BHD	Malaysia	8,932,840	1.1
Land & General BHD	Malaysia	8,932,840	1.1
DBS Land	Singapore	8,393,760	1.1
Thai Farmers Bank Ltd. (Foreign)	Thailand	8,331,692	1.1
Sony Music Entertainment	Japan	8,168,519	1.0
Meralco	Philippines	8,015,068	1.0
United Overseas Bank Ltd.	Singapore	7,942,362	1.0
HK Telecommunications Ltd.	Hong Kong	7,773,667	1.0
Kyocera Corporation	Japan	7,669,056	1.0
Teijin Ltd.	Japan	7,541,780	1.0
DongYang Dragon Trust IDR	South Korea	7,534,961	1.0
Citic Pacific Ltd.	Hong Kong	7,463,970	1.0
Singapore Land Ltd.	Singapore	7,358,605	0.9
Hindalco Industries Ltd.	India	7,298,980	0.9
Tata Engineering & Locomotive Warrants	India	7,209,817	0.9
Sharp Corporation	Japan	7,149,120	0.9
Technology Resources Ind. BHD	Malaysia	7,040,103	0.9
Ushio Inc.	Japan	6,837,700	0.9
Broken Hill Proprietary Co. Ltd.	Australia	6,822,645	0.9
Hong Kong Electric Holdings	Hong Kong	6,592,939	0.8
Berjaya Toto L.	Malaysia	6,443,360	0.8



ADVISERS:

Shaun Chan &
Frank Chiang

INCEPTION:

October 1981

(Shaun Chan & Frank Chiang
since Oct. 1990)

RSP/RIF ELIGIBLE:

up to 20% foreign content
portion of portfolio

TOTAL NET ASSETS:

\$880 million

PERFORMANCE:

1 year : +25.8%

3 year : +27.6%

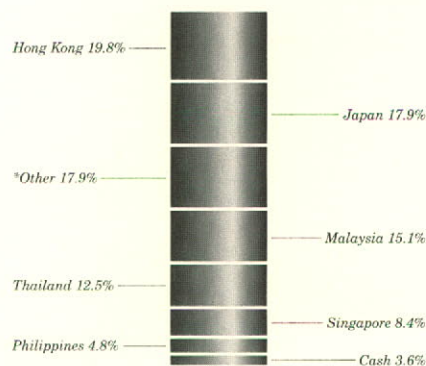
5 year : +15.1%

10 year : +20.1%

since inception : +18.4%

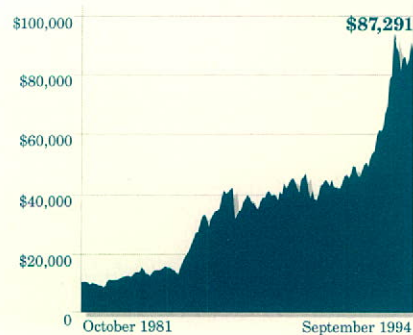
(Average annual compound
rate of return to September 30, 1994)

Portfolio Mix



*Korea 4.2%, India 3.9%, Indonesia 3.6%, Australia 3.0%, China 1.5%, Taiwan 1.4%, New Zealand 0.3%

Investment Performance of a \$10,000 Portfolio Since Inception





C.I. EMERGING ASIAN FUND

Top 30 Holdings of Investment Portfolio

Holding	Country	Market Value (\$)	% of Net Assets
Guangzhou Investment Co. Ltd.	Hong Kong	3,128,899	2.7
Samsung Electric Ord. Shrs.	South Korea	2,564,184	2.2
Van Der Horst	Singapore	2,460,240	2.2
ASM Pacific Technology Ltd.	Hong Kong	2,364,944	2.1
ST Steamship Ltd.	Singapore	2,216,025	1.9
PTT Exploration & Production Public Co.	Thailand	2,188,834	1.9
Tongkah Holdings BHD	Malaysia	2,144,718	1.9
Hong Kong Ferry (Hldgs)	Hong Kong	2,067,686	1.8
Sungei Way - Warrants	Malaysia	1,976,417	1.7
Samsung Engineering & Construction GDR	South Korea	1,908,081	1.7
Chemical Company of Malaysia	Malaysia	1,794,779	1.6
MBF Holdings	Malaysia	1,788,660	1.6
Industrial Oxygen Inc.	Malaysia	1,767,740	1.5
Pakistan Telecommunications	Pakistan	1,760,793	1.5
Dairman DEV	Malaysia	1,725,900	1.5
Hindalco Industries Ltd.	India	1,630,480	1.4
Siam City Bank Ltd. F/R	Thailand	1,629,881	1.4
ABC Communications Hlds Ltd.	Hong Kong	1,607,036	1.4
Multi-Purpose Holdings Warrant	Malaysia	1,575,119	1.4
United Communication Ind.	Thailand	1,523,293	1.3
Malaysian Int'l Shipping Corp.	Malaysia	1,490,549	1.3
Regal Hotels Int'l Holdings	Hong Kong	1,408,820	1.2
Republic Hotels & Resorts	Singapore	1,355,149	1.2
TPH Polene (Foreign)	Thailand	1,352,988	1.2
Negros Navigation	Philippines	1,344,086	1.2
Orchard Parade Warrants	Singapore	1,340,831	1.2
The Int'l Finance Corp. of Thailand	Thailand	1,331,512	1.2
Commerce Asset HLDG BHD	Malaysia	1,304,362	1.1
Siam City Cement Co.	Thailand	1,259,567	1.1
Kumagai Gumi Ltd.	Hong Kong	1,228,380	1.1



ADVISERS:

**Shaun Chan &
Frank Chiang**

INCEPTION:

September 1993

RSP/RIF ELIGIBLE:

**up to 20% foreign content
portion of portfolio**

TOTAL NET ASSETS:

\$133 million

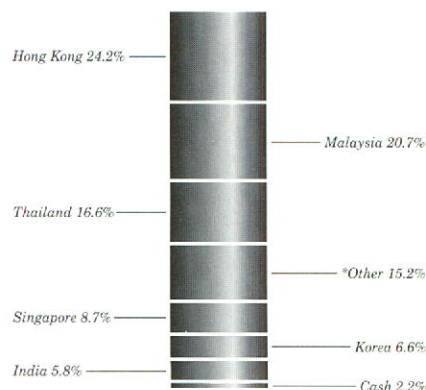
PERFORMANCE:

1 year : +11.5%

since inception : +11.3%

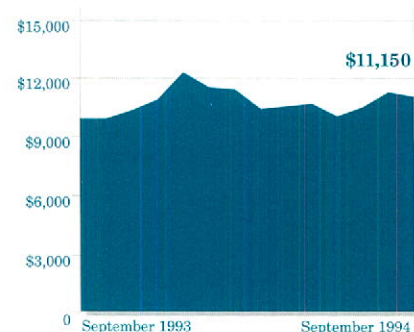
*(Average annual compound
rate of return to September 30, 1994)*

Portfolio Mix



*Philippines 5.4%, Indonesia 3.4%, China 3.0%, Taiwan 1.3%, Pakistan 1.3%, Bangladesh 0.8%

Investment Performance of a \$10,000 Portfolio Since Inception



A MESSAGE FROM OUR FUND ADVISER AT J. ZECHNER ASSOCIATES



JOHN ZECHNER

the stock market rallied again over the summer with the TSE 300 experiencing a gain of over 8% during the months of July, August and September. Bond prices also rallied somewhat and the yield on long-term Government of Canada bonds fell from the 9.5% range to 9.1%. The good news is that economic growth continues to be strong in North America with the auto industry leading the way. Employment growth has also picked up; over a quarter of a million more people are employed in Canada than at the beginning of the year. The best part of this growth is coming from exports. Our industries recovered from the recession in better shape than they have been in for decades and are starting to gain market share in international markets. Canada had a combined trade surplus of over \$7 billion for the first seven months of 1994, with the bulk of these exports going into the United States.

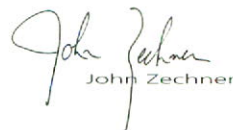
Corporate profit growth has also been exceptionally strong. The resurgence in corporate profits has been the key to gains in stock prices this year as investors trade off the good news of corporate profit growth against the bad news of higher interest rates. The strongest profit recoveries have been in those industries with large export exposure to the United States as well as those producing commodities which are priced on world markets. Some good examples include the auto industry, which is benefiting from a resurgence in North American sales combined with a recapturing of the North American market from foreign manufacturers. Chemical and paper industries are also doing extremely well as product prices recover at the same time that companies have improved productivity and reduced debt levels. Stocks of companies such as Nova Corporation, Methanex, Abitibi-Price and Avenor Inc. have all moved to cycle highs in the last few months.

Moreover, the recovery in profits of many of these resource and manufacturing companies is far from over. We see Europe and the Far East joining in a world economic recovery over the next few years, leading to annualized profit growth of over 30% for some major Canadian companies. Also driving the price of many commodities is the fact that emerging markets such as China have become large buyers of commodities like steel and copper over the last few years as their infrastructure continues to grow. This will be more good news for Canadian steel manufacturers as well as base metal companies such as Inco, Alcan, Falconbridge and Noranda.

The major concern for investors continues to be the upward move in interest rates, both in Canada and the United States. We see two reasons why interest rates will continue to head higher over the next year. The first is related to the economic recovery and the fact that as the economy grows and shortages of basic commodities develop, we begin to experience price inflation which in turn feeds into higher interest rates. This is a cyclical event which happens during all economic



recoveries. Another reason for higher interest rates is more of a secular or longer term trend. Massive government deficits in North America, particularly Canada, are leading to an ever-increasing need for foreign capital at a time when the traditional suppliers – Japanese, German and U.S. investors – must deal with their own internal problems and are unable to fund as much outside debt. Moreover, the growth of emerging markets such as China is causing further need for investment to fund rapid growth. In order to attract funds to the Canadian market when worldwide capital is becoming scarcer and demand from new sources is growing quickly, interest rates are going to have to head higher. We do not think that rates will see the extremely high levels of the early 1980s. However, we do see rates moving another one to two points higher over the next two years.


John Zechner



C.I. CANADIAN GROWTH FUND

Top 30 Holdings of Investment Portfolio

Holding	Country	Market Value (\$)	% of Net Assets
Seagrams Limited	Canada	15,676,525	4.7
Nova Corporation	Canada	14,513,850	4.4
Placer Dome Inc.	Canada	14,158,125	4.3
Canadian Imperial Bank of Commerce	Canada	14,150,125	4.3
Talisman Energy Inc.	Canada	13,136,175	3.9
Noranda Inc.	Canada	12,775,875	3.8
Laidlaw CL B	Canada	11,091,913	3.3
Canadian Pacific Limited	Canada	10,989,000	3.3
The Toronto Dominion Bank	Canada	9,296,775	2.8
Avenor Inc.	Canada	9,033,375	2.7
Alcan Aluminum Limited	Canada	8,914,500	2.7
Metall Mining Corp.	Canada	8,881,600	2.7
RIO Algom Limited	Canada	8,060,000	2.4
Home Oil Company Limited	Canada	7,830,000	2.4
Stelco Inc., Series A	Canada	7,612,975	2.3
TVX Gold Inc.	Canada	7,610,625	2.3
Dofasco Inc.	Canada	7,547,788	2.3
Poco Petroleum Ltd.	Canada	7,471,500	2.2
Teck B	Canada	7,183,663	2.2
Falconbridge	Canada	7,080,500	2.1
Sherritt Inc.	Canada	6,669,950	2.0
Bombardier Inc. CL B	Canada	6,561,250	2.0
Anderson Exploration Ltd.	Canada	6,522,075	2.0
Abitibi-Price	Canada	6,432,750	1.9
Thompson Corp.	Canada	6,410,250	1.9
Magna Int'l Inc. CL A	Canada	6,127,438	1.8
International Forest Products Ltd.	Canada	6,038,813	1.8
Sceptre Resources Ltd.	Canada	5,581,400	1.7
Hudsons Bay Company	Canada	5,554,138	1.7
Cambior Inc.	Canada	5,468,400	1.6



ADVISER:

John Zechner

INCEPTION:

January 1993

RSP/RIF ELIGIBLE:

100%

TOTAL NET ASSETS:

\$422 million

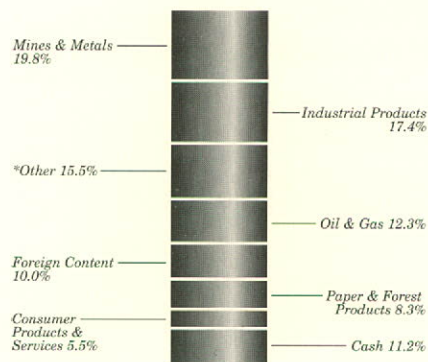
PERFORMANCE:

1 year : +14.1%

since inception : +22.5%

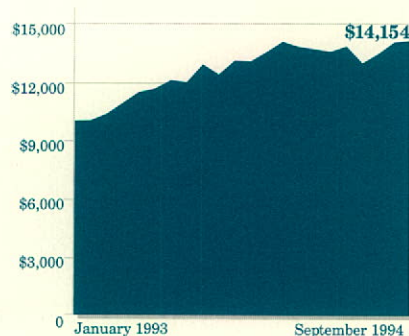
(Average annual compound rate of return to September 30, 1994)

Portfolio Mix



*Finance 5.5%, Transportation 4.5%, Communications & Media 2.9%, Conglomerates 2.6%

Investment Performance of a \$10,000 Portfolio Since Inception



C.I. CANADIAN BALANCED FUND



Top 30 Equity Holdings of Investment Portfolio

Holding	Country	Market Value (\$)	% of Net Assets
Placer Dome Inc.	Canada	4,644,000	5.1
Talisman Energy	Canada	4,460,625	4.9
Seagrams Limited	Canada	4,311,350	4.8
Noranda Inc.	Canada	4,085,025	4.5
Nova Corporation	Canada	3,289,163	3.6
Canadian Imperial Bank of Commerce	Canada	3,263,000	3.6
Canadian Pacific Limited	Canada	3,219,750	3.6
Metall Mining Corp.	Canada	2,860,000	3.2
Laidlaw CL B	Canada	2,841,712	3.1
Alcan Aluminium Limited	Canada	2,830,000	3.1
Avenor Inc.	Canada	2,452,500	2.7
The Toronto Dominion Bank	Canada	2,450,250	2.7
Sherritt Inc.	Canada	2,259,700	2.5
Thomson Corp.	Canada	2,173,500	2.4
Dofasco Inc.	Canada	2,064,013	2.3
Poco Petroleum Ltd.	Canada	2,047,650	2.3
Stelco Inc., Series A	Canada	2,041,250	2.3
Home Oil Company Limited	Canada	1,908,000	2.1
Rio Algom Limited	Canada	1,820,000	2.0
Abitibi-Price Inc.	Canada	1,814,750	2.0
Teck B	Canada	1,748,338	1.9
Hudsons Bay Company	Canada	1,741,675	1.9
TVX Gold Inc.	Canada	1,737,375	1.9
Anderson Exploration Ltd.	Canada	1,706,625	1.9
Falconbridge	Canada	1,700,000	1.9
Wascana Energy	Canada	1,612,500	1.8
International Forest Productions Ltd.	Canada	1,470,000	1.6
Sceptre Resources Ltd.	Canada	1,469,600	1.6
Magna Int'l Inc. CL A	Canada	1,461,500	1.6
Cambior Inc.	Canada	1,335,600	1.5

ADVISER:

John Zechner

INCEPTION:

January 1993

RSP/RIF ELIGIBLE:

100%

TOTAL NET ASSETS:

\$161 million

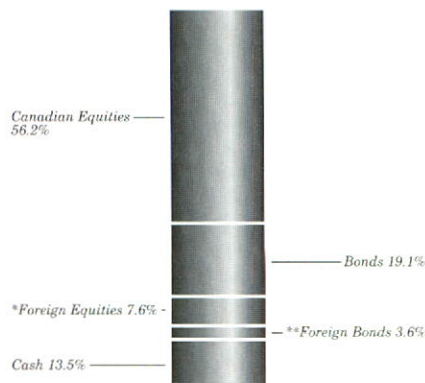
PERFORMANCE:

1 year: +12.2%

since inception: +21.2%

(Average annual compound rate of return to September 30, 1994)

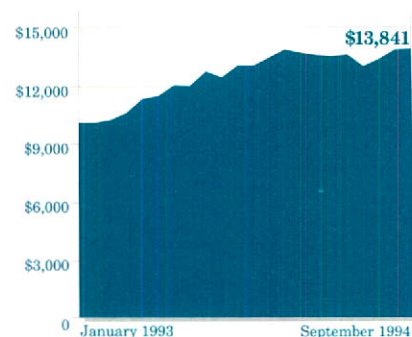
Portfolio Mix



*Foreign Equities - C.I. Global Fund 2.6%, C.I. Pacific Fund 2.1%, C.I. American Fund 1.6%, C.I. Emerging Markets Fund 1.3%

**Foreign Bonds - C.I. World Bond Fund 3.6%

Investment Performance of a \$10,000 Portfolio Since Inception





C.I. CANADIAN BOND FUND



Investment Portfolio

Holding	Country	Market Value (\$)	% of Net Assets
Government of Canada Bond 7.75% 09/01/99	Canada	6,832,000	46.12
Government of Canada Bond 7.75% 09/15/96	Canada	5,022,500	33.90
C.I. World Bond Fund	Canada	1,194,434	8.06
C.I. New World Income Fund	Canada	140,802	0.95

ADVISER:

John Zechner

INCEPTION:

January 1993

RSP/RIF ELIGIBLE:

100%

TOTAL NET ASSETS:

\$15 million

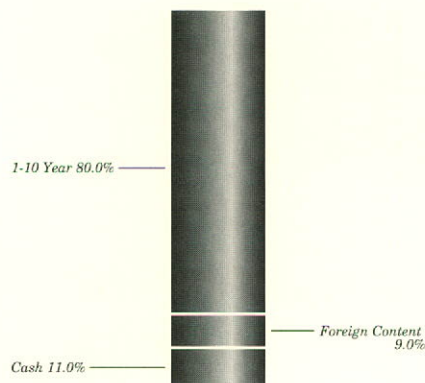
PERFORMANCE:

1 year : -1.5%

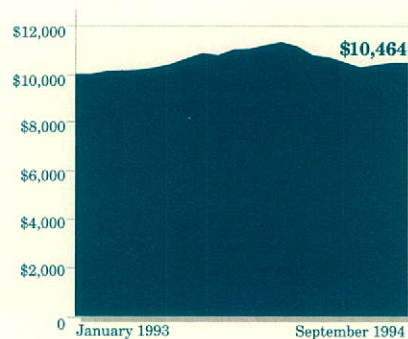
since inception : +3.6%

(Average annual compound rate of return to September 30, 1994)

Portfolio Mix



Investment Performance of a \$10,000 Portfolio Since Inception



A MESSAGE FROM OUR FUND ADVISERS AT TCW EUROPE



ROBERT RAWE



JAMES BURNS

European stockmarkets had a roller coaster quarter, rising by some 8% during July and August and then falling during September to end the period almost unchanged. Currency impact during the quarter was negligible with the Canadian dollar rising by less than 1% against the basket of European currencies. During the early part of the quarter the markets were driven by two motors; the first was interest rates easing back from their June peaks and the second was the continued stream of good economic news. This in turn led equity analysts to revise up their corporate profit expectations for 1994. September's correction was caused by renewed interest rate jitters overcoming the earlier optimism.

The degree of optimism concerning the economic recovery is particularly striking when the changes in consensus forecasts for GDP growth are analysed. Every one of the main European countries saw its estimated 1994 GDP growth

revised upwards during the quarter, with some revisions being very steep. For example, expectations for the UK were revised up from 2.8% to 3.3%; France rose from 1.7% to 2%, while Germany rose from 1.3% to 1.8%.

The source of the accelerating growth is the general broadening of the recovery, which began with a surge in exports and inventory building and is now showing signs of spreading to consumer spending and capital investment in machinery and equipment. It should be stressed that the pattern is not uniform throughout Europe as various countries are at different stages in the recovery cycle. The United Kingdom is far more advanced than most of the Continental European markets and even these markets have leaders and laggards. For example, the consumer in France has remained a relatively significant contributor to economic growth, while those of Spain and Italy are only now showing signs of emerging from hibernation.

Upward revisions in economic growth have not, however, caused any sharp increases in inflationary expectations. Recently released figures continue to show a benign inflationary outlook, with some countries enjoying consumer price inflation running at 20-25 year lows. Prices continue to fall in areas such as the service sector where insurance premiums, holidays and the like, demonstrate weak trends.

Though the inflationary indicators showed little cause for concern, this did not stop the European stockmarkets reacting badly in September to the perception that the US economy was showing signs of overheating. These worries were aggravated in August by both Sweden and Italy raising interest rates (for largely domestic political reasons). European bond markets fell with the inevitable impact on stockmarkets.

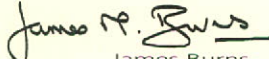
The emerging European markets were largely oblivious to these influences and had a good quarter. Turkey produced a 22% return during the period, while Portugal turned in a return of close to 10%. Greece was the laggard with flat markets. All of these markets continue to be driven by internal factors. For example Turkey saw its currency stabilize, short-term interest rates fell, a key privatisation bill was passed and fears of a general election apparently were removed by Prime Minister Ciller calling a by-election.



Greece, on the other hand, continues to be bedeviled by uncertainty over its major privatisation programme and very slow awarding of E.C.-funded infrastructure contracts, which are a major source of economic growth. Portugal continued to show progress on inflation, allowing interest rates to fall.

The outlook for the European stockmarkets will be far better once investors switch their attention away from interest rates and concentrate on the prospects for strong corporate profits growth, both this year and next. Emerging markets will be rather more volatile as factors specific to the individual countries will have a greater impact on their stockmarkets than the overall European economic outlook. In the short term, European stockmarkets may hesitate in the face of interest rate worries but the push of strong economic and corporate profits growth, combined with reasonable valuations, will eventually allow the markets to regain their upward momentum.


Robert Rawe

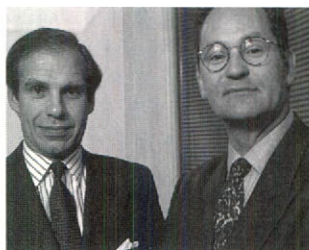

James Burns



C.I. EUROPEAN FUND

Top 30 Holdings of Investment Portfolio

Holding	Country	Market Value (\$)	% of Net Assets
Granada Group	U.K.	1,478,362	3.6
BAT Industries	U.K.	1,241,348	3.0
General Electric	U.K.	1,215,746	2.9
BTR PLC Warrants	U.K.	1,210,238	2.9
Credit Local de France	France	1,185,608	2.9
British Telecom	U.K.	1,177,552	2.8
MB Caradon	U.K.	1,167,968	2.8
Ballast Nedam CV CM PRF	Netherlands	1,159,694	2.8
Budenus	Denmark	1,144,730	2.8
Hanson PLC	U.K.	1,137,032	2.7
Lloyds Chemist	U.K.	1,119,311	2.7
Total-CIE France des Petroles 'B'	France	1,104,013	2.7
Surveillance Holding S.A.	Switzerland	1,094,100	2.6
Peugeot Citroen S.A.	France	1,092,661	2.6
Prudential Ord	U.K.	1,055,001	2.5
Grand Metropolitan Ord	U.K.	1,049,435	2.5
Skanska 'B' Shares	Sweden	1,044,368	2.5
Devro International Ord	U.K.	1,041,871	2.5
Lafarge Coppée Foreign	France	1,002,400	2.4
NFC Var. V. Ord 5P	U.K.	998,293	2.4
Metsa Serla B Free	Finland	969,462	2.3
Oriflame International S.A.	U.K.	948,943	2.3
Banque Nationale de Paris	France	931,245	2.2
Courtauld's Ord 25P	U.K.	923,993	2.2
Beazer Homes Ord 25P	U.K.	907,078	2.2
Bayer A.G.	Denmark	876,315	2.1
I.M.I.	Italy	844,895	2.0
Baloise Holdings	Switzerland	803,382	1.9
Irish Life PLC Ord	Ireland	792,900	1.9
Deutsche Pfandbrief Und Hypothecken Bank	Denmark	778,140	1.9



ADVISERS:

Robert Rawe &
James Burns

INCEPTION:

September 1991

(TCW Europe since Oct. 1994)

RSP/RIF ELIGIBLE:

up to 20% foreign content
portion of portfolio

TOTAL NET ASSETS:

\$42 million

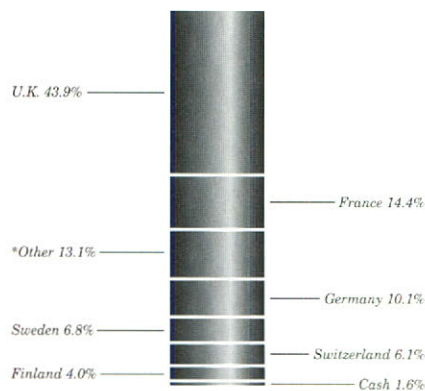
PERFORMANCE:

1 year : +1.6%

since inception : +4.8%

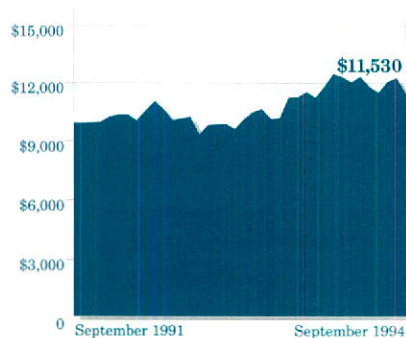
(Average annual compound
rate of return to September 30, 1994)

Portfolio Mix



*Italy 3.2%, Netherlands 2.8%, Ireland 1.9%, Spain 1.8%, Portugal 1.8%, Denmark 1.6%

Investment Performance of a \$10,000 Portfolio Since Inception



C.I. SECTOR FUND LIMITED

FUND, ADVISERS, INCEPTION & TOTAL NET ASSETS:

C.I. Sector Canadian Shares – John Zechner – July 1987 – \$16.1 million
C.I. Sector Pacific Shares – Shaun Chan & Frank Chiang – July 1987 – \$133.6 million
C.I. Sector Emerging Asian Shares – Shaun Chan & Frank Chiang – July 1994 – \$5.7 million
C.I. Sector Global Shares – Emilio Bassini – July 1987 – \$129.1 million
C.I. Sector Emerging Markets Shares – Emilio Bassini – December 1992 – \$66.4 million
C.I. Sector Latin American Shares – Emilio Bassini – July 1994 – \$14.9 million
C.I. Sector American Shares – William Priest – December 1992 – \$20.3 million
C.I. Sector European Shares – Robert Rawe & James Burns – December 1992 – \$15.4 million
C.I. Sector Short-Term Shares – C.I.F.M. – July 1987 – \$15.9 million

PERFORMANCE:

Average annual compound rates of return to September 30, 1994:

C.I. Sector Canadian Shares – 1 YEAR 14.3%; 3 YEAR 14.6%; 5 YEAR 3.3%; SINCE INCEPTION 6.8%
C.I. Sector Pacific Shares – 1 YEAR 25.6%; 3 YEAR 27.2%; 5 YEAR 14.8%; SINCE INCEPTION 14.5%
C.I. Sector Emerging Asian Shares – N/A
C.I. Sector Global Shares – 1 YEAR 10.6%; 3 YEAR 18.0%; 5 YEAR 12.1%; SINCE INCEPTION 10.8%
C.I. Sector Emerging Markets Shares – 1 YEAR 35.5%; SINCE INCEPTION 35.9%
C.I. Sector Latin American Shares – N/A
C.I. Sector American Shares – 1 YEAR 8.5%; SINCE INCEPTION 22.3%
C.I. Sector European Shares – 1 YEAR 1.9%; SINCE INCEPTION 8.4%
C.I. Sector Short-Term Shares – 1 YEAR 2.6%; 3 YEAR 3.1%; 5 YEAR 4.5%; SINCE INCEPTION 4.6%



BRINGING THE WORLD TO CANADIAN INVESTORS

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MONTREAL OFFICE 1 PLACE VILLE MARIE, SUITE 2130, MONTREAL, QUEBEC H3B 2C6

VANCOUVER OFFICE 1630-999 WEST HASTINGS STREET, VANCOUVER, B.C. V6C 2W2

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Past performance is not indicative of future performance. The indicated rates of return are the historical annual compounded total returns including changes in the unit values and reinvestment of distributions and do not take into account sales, redemption, distribution or optional charges payable by any securityholder which would have reduced rates. Important information about C.I.'s mutual funds is contained in their simplified prospectuses. Obtain copies from C.I. and read them carefully before investing. Unit value, yields and investment returns will fluctuate.

